



MDB UPDATE

International Trade Administration/U.S. Department of Commerce

July 2003

A few months later, in May 2003, Dilek Macit, Head of the EBRD Consultancy Services Unit, addressed a group of US consultants in Washington DC and discussed how to compete successfully for EBRD consultancy project tenders. That same month, Beatrice Maser Mallor, from the EBRD Trade Facilitation Program, spoke at a New York City EAC outreach program (which also included EBRD SCO Alice Davenport, Trevor Gunn of BISNIS and Cheryl Conlin of EximBank). Other events included an intensive three-city outreach program during the week of June 23 for EBRD Vice President Noreen Doyle, organized by the EBRD Business Development Unit in coordination with CS-EBRD. SCO Alice Davenport accompanied the group, traveled to San Francisco, Los Angeles and Denver.

Snapshot of EBRD in 2002

The Bank recently published its Annual Report for 2002. As a snapshot, the EBRD invested in 102 projects valued at \$3.9 billion. This was the highest business volume in the Bank's history in support of transition across the region. Geographic distribution of the commitments were as follows: Euro1.3 billion to Russia; Euro 1.4 billion to "early and intermediate transition countries" (e.g. Kazakhstan); and \$1.3 billion to "advanced transition countries" (e.g. Czech Republic). By the close of 2002, after 11 years of operations, the EBRD had invested a total of Euro 21.6 billion in the region. Looking at the figures for 2002, the sector "Financial Institutions and Infrastructure" represents more than half of the business volume. However, EBRD programs focused on small and medium-sized businesses were also very active last year, throughout the whole region, with sustained support totaling Euro 508 million in 2002.

INSIDE THIS ISSUE

- 1** EBRD USA Highlights 2003
- 1** EBRD Snapshot 2002
- 2** WB: Private Sector Financing
- 2** WB: New IFC Facility Projects
- 3** IDB Procurement Notices on the Web
- 3** IDB Trade Finance Facility Project
- 4** IDB/MIF Accept Proposals for IT and E-Business
- 5** European Investment Bank (EIB)
- 6** MDB Contact List

For inquiries on EBRD Projects:

Alice Davenport
Senior Commercial Officer
Commercial Service Liaison Office
European Bank for Reconstruction and
Development
One Exchange Square One Exchange Square
London EC2A 2EH
Tel: 44 20 7588 8490
Fax: 44 20 7588 8443
london.ebrd.office.box@mail.doc.gov

Ayse Ozcan
Senior Commercial Specialist
Commercial Service Liaison Office
European Bank for Reconstruction and
Development
One Exchange Square
London EC2A 2EH
Tel: 44 20 7338 7491
Fax: 44 20 7588 8443
ozcana@

World Bank (WB) Update

Private Sector Financing from the International Finance Corporation (IFC)

provider of loans and equity in the emerging markets with an emphasis on achieving sustainability for its investments. Projects must comply with social and environmental standards and provide long-standing benefits.

Eligible Investments: IFC projects range across many industry sectors, including financial services; infrastructure, including communication technologies, power, water and sewerage, and transportation; oil, gas and mining; food and agribusiness; social services, including private health care and education; chemicals and petrochemicals; and hotels and tourism. To receive funding, private sector sponsors must present business plans and be prepared to invest their own capital. Projects must be technically and financially viable, economically competitive, beneficial to the local population, and environmentally and socially sound.

Products and Services: The IFC provides long-term finance products, including loans in circumstances where project sponsors or other financiers are not prepared to take risks alone. Products and services include Loans and financial intermediation services, equity and quasi-equity, guarantees, syndicated loans, underwriting services, private placements, equity funds as well as risk management products.

Contact: Companies interested in seeking financing from the International Finance Corporation (IFC) should contact the IFC's Business Development Section at Tel. 202-473-1000 or visit their website at www.ifc.org. You may also contact Bill Crawford, Director, Business Liaison, U.S. Executive Director's Office at Tel. 202-458-0120 or e-mail WCrawford@worldbank.org.

New - IFC Facility to Support Innovative Environmental Projects

The World Bank's International Finance Corporation (IFC) has established, "The

Environmental Opportunities Facility” (EOF) to support projects that have a strong potential to increase environmental sustainability and projects that must overcome the uncertainty associated with new markets, new technologies, and new ways of doing business. American companies seeking to penetrate high-risk markets with new environmental technologies would be of interest to the International Finance Corporation.

Eligible Projects: The EOF will support projects that offer innovative private sector solutions to local environmental issues such as clean water supply or air pollution. Eligible projects can either produce goods or services with significant environmental benefits or increase the sustainability of resource use through eco-efficiency improvements. The IFC’s Environmental Finance Group also has access to funds for projects that address global environmental issues for projects that address global environmental issues, such as climate change and loss of biodiversity.

Priority Sectors: Sectors include Environmental Services, such as clean drinking water, wastewater treatment and solid waste recycling/disposal; and Pollution Reduction -Abatement, including industrial air or water emissions and indoor air pollution. The EOF can also consider financing projects in the areas of Sustainable Resource Use and Sustainable Energy.

Types of Support: The EOF can assist companies in Project Preparation by providing grants for preparation of business plans and market assessments and in Project Funding by providing several types of flexible financing products.

Project Selection Criteria: Projects must yield immediate local environmental benefits, must have a clear expectation of commercial viability, should have a private-sector sponsor, and must demonstrate a clear need for funding from the EOF.

Contact: Alexandre Leite or Jeff Liebert at Tel. 202-473-2622; Fax. 202-974-4349; or visit their website at www.ifc.org/efg.

Inter-American Development Bank (IDB) Update

IDB Procurement Notices on the Web

As of May 2003, the *IDB Projects Online* site ceased to exist. In an effort to increase transparency and to facilitate access to information on the IDB projects and procurement opportunities, the IDB has migrated the information heretofore contained in IDB Projects Online to a new free website. This website will provide users with the following information:

- Projects in the pipeline
- Approved projects
- General and Specific Procurement Notices
- Contract Award Information
- Procurement Policies and Procedures
- Standard Procurement Documents

To access this information, go to the IDB website www.iadb.org. Look to the left side, and under “Projects” click on “Procurement”. On the next page is listed “Contents.” These are “Project Pipeline,” “Approved Projects,” “Procurement Notices,” “Contract Award Information,” “Procurement Policies and Procedures,” and “Standard Procurement Documents.” By selecting the appropriate subject, U.S. firms will have a wealth of information on IDB projects and procurement procedures. Please feel free to contact Dorothy Patrickson at (202) 623-1361 or by email: idbprojects@iadb.org, if you have any questions on accessing this new website.

Trade Finance Facility Project Approved

The IDB approved an international trade finance facility to Bradesco of Brazil consisting of an unsecured A-Loan of up to \$US50 million with a maturity of up to two years, and any unsecured B-

continued on page 4

Loan of up to US\$60 million. Subject to market conditions, the Inter-American Development Bank will be prepared to increase the amount of B-Loan for up to US\$100 million. It is expected that IFC will provide a separate loan to Bradesco consisting of an unsecured A-Loan of up to US\$10 million and an unsecured B-Loan equal to that of the IDB B-Loan.

This TFF for Bradesco is part of the International Trade Finance Reactivation Program approved by the Board of Governors of IDB in spring 2003. IDB's participation in the transaction is part of a broader, joint IDB-IFC initiative to address the current shortage of trade finance in Latin America and the Caribbean. The involvement of both the IDB and IFC in the A-Loans allows the proposed transaction to achieve a size that could result in a meaningful impact on the trade finance needs in Brazil.

IDB and MIF Accepting Proposals for Projects in the Information and Communication Technology Innovation Program for E-Business and-Small Medium-Sized Enterprises

The Inter-American Development Bank and the Multilateral Investment Fund, which is part of the IDB Group, recently announced that applications are being accepted for the second call for proposals for the information and communication technology (ICT) program for E-Business and small- and medium-sized enterprises.

Approximately \$2.2 million in grants will be awarded for the present stage of the program, titled "ICT-4-BUS". Six projects were awarded grants earlier this year in the first stage of the \$5 million program to assist nonprofit organizations in the design and demonstration of ICT and E-Business solutions to benefit small-and medium-sized enterprises (SMEs) in Latin America and the Caribbean.

Nonprofit institutions may submit their project profile applications before **September 22, 2003**. Between 5 and 10 pilot projects will be selected. Once the results and best practices of the pilot projects are disseminated, it is expected that thousands of SMEs will benefit by adopting new technology solutions or services to increase their levels of competitiveness.

The pilot projects should benefit SMEs primarily in the areas of value chain integration, workplace productivity and efficiency and market penetration. Examples of the possible ICT solutions to be used by the projects include E-Commerce and E-Business, E-Productivity applications, knowledge management and distribution systems and mobile applications.

Through ICT-4-BUS, SMEs based in Latin America and the Caribbean may become aware of opportunities arising from the new global economy. ICT services and solutions improve the efficiency of a firm's value chain by providing better and faster communications among trading partners, integrating transactions with logistics functions, reducing intermediation costs, facilitating the search for new markets, and allowing better pricing policies

The program offers matching grants to finance up to 60 percent of each project, contributing between a minimum of \$75,000 and maximum of \$500,000 for a single project. For more information, go to www.iadb.org

THE EUROPEAN INVESTMENT BANK: THE OTHER MULTILATERAL BANK

In this issue of the MDP UPDATE, we are pleased to introduce the European Investment Bank (EIB), the financing institution of the European Union. Two key points about the bank will be of interest to U.S. business: 1) it is the *largest multilateral bank in the world*; and 2) the EIB requires its borrowers to adhere to *open, international tendering procedures* in most cases.

Commercial Service Coverage of the EIB:

Unlike the other MDBs featured in this newsletter, the United States is not a shareholder of the EIB. Nonetheless, the Bank remains open to U.S. participation in projects it finances and makes loans directly to U.S. investors in Europe. For these reasons, the Commercial Service of the U.S. Mission to the European Union in Brussels is charged with assisting U.S. clients interested in pursuing opportunities with the EIB.

Background: The bank's shareholders are the 15 EU Member States (soon to be 25 in 2004). EU Finance Ministers serve as the Bank's Board of Governors who in turn appoint its Board of Directors. The bank offers cost-competitive, long-term lending to both public and private borrowers for investment in Europe. The sectors it lends into encompass a number of areas such as trans-European transport, energy and telecommunications networks (TENs), security of energy supplies (especially alternative energy), environmental protection and urban renewal, health and education and promotion of SMEs and innovative companies in general.

Worldwide Activity: The EIB is the world's largest multilateral lending institution, lending EUR 39.4 billion in 2002. Loans within the European Union made up 84% of its total lending portfolio. In 2002, EUR 3.6 billion (or 9 % of the total) went towards

the 13 EU candidate countries of Central and Eastern Europe. (These are: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia, Turkey.) Outside the expanded European Union, the EIB implements the EU's development aid and cooperation policies and contributes to long-term financing in some 150 countries (Central and Eastern Europe, Mediterranean Countries, Africa, the Caribbean and the Pacific, Asia and Latin America).

Project Size: EIB lends to both public and private entities with a general project size of 20 EUR million, and EIB loans can make up as much as 50% of the total project cost. Those loans generate tenders for works, services and supplies contracts. In operations financed from the Bank's own resources, tenders are open to nationals of all countries. In the case of joint co-financing with other financing institutions, there may be restrictions.

Future Topics: In the next issue of MDB UPDATE we plan to show you where to locate more information on the EIB and EIB funded projects. In the meantime, you may want to review our website, www.buyusa.gov/europeanunion, where you will find additional information about the Bank and its procedures. Should you have any questions, please don't hesitate to contact:

Stephen Alley, Deputy Senior Commercial Officer (CSEU) or Isabelle Maelcamp, EU Funding Advisor:

The U.S. Mission to the European Union
Isabelle Maelcamp Tel: +32 2 508 2676
Steve Alley Tel: +32 2 508 2755
isabelle.maelcamp@mail.doc.gov
Steve.alley@mail.doc.gov

Editors Note: This is the first time we have included EIB funding information in the MDB Update. We expect in the future to add information on United Nations procurement.

African Development Bank

The AfDB has temporarily relocated to Tunis, Tunisia.
For more information, please contact:

Kim Cash, Program Assistant/AfDB
Regional Director's Office, ANESA
U.S. Commercial Service
14th and Constitution Ave., NW
Washington, D.C. 20036

Tel: (202) 482-5516
Fax: (202) 482-5179
E-Mail: Kim.Cash@mail.doc.gov

Asian Development Bank

Mr. Stewart Ballard, Senior Commercial Officer
(E-mail: Stewart.Ballard@mail.doc.gov)

Office E-mail: manila.adb.office.box@mail.doc.gov

Commercial Liaison to the ADB
U.S. Commercial Service
25/F Ayala Life/FGU Center
6811 Ayala Avenue, Makati City 1226
Philippines
Tel: (63-2) 887 1345/1346
Fax: (63-2) 887 1164

European Bank for Reconstruction and Development

Ms. Alice Davenport, Senior Commercial Officer
(E-mail: Alice.Davenport@mail.doc.gov)

Office E-mail:
London.EBRD.Office.Box@mail.doc.gov

U.S. Commercial Liaison Office to the EBRD
Mailing address:
CS-EBRD, Box 33
American Embassy
24 Grosvenor Square
London W 1A 1AE
Tel: (44) 20 7588-8490
Fax: (44) 20 7588-8443

Inter-American Development Bank

Mr. Gene Harris, Director
U.S. Commercial Liaison Office
(E-mail: Gene.Harris@mail.doc.gov)

Ms. Barbara White, Commercial Liaison
(E-mail: Barbara.White@mail.doc.gov)

U.S. Commercial Liaison to the IDB
Office of the US Executive Director
1300 New York Ave., NW
Mail Stop E 0209
Washington, DC 20577
Tel: (202) 623-3821/3822
Fax: (202) 623-2039

World Bank

Mr. William H. Crawford, Director
Commercial Liaison Office
(E-mail: Wcrawford@worldbank.org)

Commercial Liaison Office to the World Bank
Office of the U.S. Executive Director
1818 H Street, NW
Washington, DC 20433
Tel: (202) 458-0120/0118
Fax: (202) 477-2967

MDBUpdate is an electronic newsletter
Published by the U.S. Commercial Service, U.S.
Department of Commerce.
The Commercial Liaison Offices to World
Bank, Asian, African, Inter-American and
European Bank for Reconstruction and
Development informs U.S. companies of
commercial opportunities available through
the multilateral development banks. In
addition, the Commercial Liaison Offices
assist U.S. companies through the procurement
process, introduces them to key contacts at the Bank,
and when necessary and advisable, advocates on
behalf of the company to insure fair consideration
during the bid process.